

FINANCIAL AND COMMERCIAL.

WEDNESDAY, Feb. 9.

The reactionary movement in the stock market, which has been comparatively new since the publication of our statement last Saturday, appears to have about run its course. The general and almost uniform decline in prices yesterday caused further liquidation of speculative holdings this morning, and also encouraged fresh attacks upon values by professional operators. These last made the market vigorous and determined onslaught that has been witnessed in many weeks, and they were successful in depressing prices materially in the early dealings. A rally followed, but at midday a fresh attack was made, and prices were again depressed. The second drive was not as effective as the first. As was the case yesterday, there was no pressure to sell, and to the surprise of every one the number of stop orders uncovered at the early decline was much smaller than it was generally believed to be. The reaction was placed in the market to secure varying profits or limit losses. The final movement of prices furnished very high indubitable evidence that both commission houses and important interests, particularly the last named, have been picking up stocks at the decline.

The reappearance of a substantial demand for stocks is not surprising, for the reaction from the highest prices recorded last month has gone far enough to shake out many weak holders, and also to enable the leaders in various stocks to recover upon advantageous terms a part of the securities they have sold. When prices were at their highest the view prevailed in the Street that the advance had been too rapid to hold, and that a setback of 5 to 10 points would result in a safer market and greater discrimination on the part of buyers. Such a reaction has been placed, however, in the market, creating a bullish feeling in many quarters. Thus a change in speculative conditions has taken place which is invariably followed by a change in the course of the market. The decline in the established dividend paying stocks has reached prices that are again attractive to actual buyers. In the case of the speculative issue it can be said that circumstances affecting values are fully as favorable as they were when the highest prices were recorded; indeed, they seem to be even more satisfactory. The peace treaty has been ratified, and the Philippine insurgents have been finally subdued. The security market has absorbed an immense amount of foreign holdings of American shares and bonds without affecting the rates of interest. Another domestic development of great importance is the steady improvement in the railway rate situation. Still another factor that has not yet been adequately appreciated, but the facts have not yet been made public, is the progress that is being made in the direction of harmonizing and concentrating the management of a large percentage of the railway mileage of the country. The developments in that direction within the next few months are likely to be so startling in their results as to be accomplished on a smaller scale by the Metropolitan Traction Company in this city.

The dealings in stocks were, with one exception, the largest within a week, and the distribution of business was very broad. Some of the early declines were due to the fact that the market was followed in the late dealings by equally sharp recoveries. In the usually active railway list Atchison preferred, C. & Q. and Northern Pacific common and New York Central were most conspicuous. The last two were exceptionally strong throughout. In the Pacific, Southern Pacific, leading first preferred, St. Louis Southwestern preferred, Canada Southern and Chicago, Indianapolis and Louisville preferred, which occupied second place in respect to activity, scored noteworthy advances. The movement in the last half of the day was toward a dividend upon it for the month ending Dec. 30 will be declared in the near future. The statement of the operations of the company for the five months ending Nov. 30, printed further on in this column, shows that within that period the company earned a net profit of \$1,000,000 of preferred stock. Regarding the semi-annual dividend of 14¢ per cent. declared a day or two ago upon Iowa Central preferred, it has been stated that it would be paid from accumulated earnings. This is not the case. The net earnings for the six months ending Dec. 31, for which the dividend was declared, were \$100,000, or about \$100,000 in excess of the amount required to pay the dividend. The company has accumulated earnings in its treasury, also other cash assets, but they were not taken into consideration by the management in resuming the payment of dividend.

The industrial group supplied a larger proportion of the transactions than it has for some time past. The entire group declined simultaneously with the railway list, and with the exception of Sugar Refining more than recovered the heavy declines which the Coal and Iron, Federal Steel and American Steel and Wire common received the most attention and showed the greatest recuperative power. The American Steel and Wire Company has advanced the price of its principal products \$3 a ton and announced that it has secured various important foreign contracts in competition with European manufacturers. It was also announced to-day that the company had acquired a competitive manufacturing plant and an iron mine in the Mesaba region. Minor features in the industrial group were General Electric, National Biscuit and United States Rubber. All of the local traction stocks were exceptionally strong. Metropolitan Street Railway closing at a net advance of 3/4¢. Cent. and Brooklyn Rapid Transit 1/4¢. It is learned that proxies on considerably more than half of the capital stock of the Manhattan Railway Company have been received for the management to be voted in favor of the increase in capital at the special meeting called to provide funds for a change in motive power. The closing was strong, with the majority of the list well up to the best prices.

New York Stock Exchange—Sales Feb. 9.

LOSING PRICES OF UNITED STATES BONDS			
	Bid.	Asked.	
U. S. 2s. r.			Un Rt 4s. r.
U. S. 3s. r.			1825.....128 1/2
U. S. 4s. 1908			Un Rt 4s. r.
U. S. 4s. 1907	107 1/2	107 1/2	1825.....128 1/2
U. S. 4s. 1908			Un Rt 5s. r.
U. S. 4s. 1907	107 1/2	107 1/2	1904.....111 1/2
U. S. 4s. r.			Un Rt 3s. c.
U. S. 4s. r.	112 1/2	112 1/2	1904.....111 1/2
U. S. 4s. c.			Un Rt 3.5s. r.
U. S. 4s. r.	112 1/2	113 1/2	1924. DC118